



# WEST MIDLANDS COMBINED AUTHORITY

## Board Meeting

Friday 12 May 2017 at 11.00am

### Minutes

#### Mayor of the West Midlands Combined Authority Area

Andy Street (Chair)

#### Constituent Members

Birmingham City Council	Councillor John Clancy
Birmingham City Council	Councillor Ian Ward
City of Wolverhampton Council	Councillor Andrew Johnson
Coventry City Council	Councillor George Duggins
Dudley Metropolitan Borough Council	Councillor David Sparks
Sandwell Metropolitan Borough Council	Councillor Steve Trow
Solihull Metropolitan Borough Council	Councillor Bob Sleight
Solihull Metropolitan Borough Council	Councillor Ian Courts
Walsall Metropolitan Borough Council	Councillor Sean Coughlan

#### Non-Constituent Members

Black Country LEP	Ninder Johal
Cannock Chase District Council	Councillor George Adamson
Coventry & Warwickshire LEP	Jonathan Browning
Greater Birmingham & Solihull LEP	Chris Loughran
Nuneaton & Bedworth Borough Council	Councillor Dennis Harvey
North Warwickshire Borough Council	Councillor David Humphreys
Redditch Borough Council	Councillor Bill Hartnett
Shropshire Council	Councillor Malcolm Pate
Stratford-on-Avon District Council	Councillor Chris Saint
Tamworth Borough Council	Councillor Steven Claymore
Warwickshire County Council	Councillor Izzi Seccombe

#### Co-Opted Member

Midlands Trades Union Congress	Lee Barron
--------------------------------	------------

#### Observer Members

Police & Crime Commissioner	David Jamieson
West Midlands Fire & Rescue Authority	Councillor John Edwards

#### In Attendance

Greg Bickerdike	City of Wolverhampton Council
Matt Bowers	Tamworth Borough Council
Jan Britton	Sandwell Metropolitan Borough Council
Andrew Browning	West Midlands Combined Authority
Andrew Campbell	Local Government Association

Mat Danks  
 Paula Deas  
 Kevin Dicks  
 Rachel Egan  
 Monica Fogarty  
 Alan Franks  
 Gill Hamer  
 Jerry Hutchinson  
 Keith Ireland  
 Jonathan Jardine  
 Jan Jennings  
 Jaswinder Kaur  
 Andrew Kinsey  
 David Lane  
 Phil Loach  
 Stella Manzie  
 Tim Martin  
 Karen McCarthy  
 Tony McGovern  
 Sarah Middleton  
 Simon Neilson  
 Sarah Norman  
 Nick Page  
 Richard Partington  
 Martin Reeves  
 Paul Sheehan  
 Laura Shoaf  
 Louise Sketchley  
 Tony Smith  
 Councillor Claire Spencer  
 Sarah Sprung  
 Mark Taylor  
 David Thompson  
 Katie Trout  
 Chris Tunstall  
 Ben Twomey  
 Dave Webb  
 Councillor Richard Worrall  
 Clive Wright

West Midlands Combined Authority  
 Coventry & Warwickshire LEP  
 Redditch Borough Council  
 West Midlands Combined Authority  
 Warwickshire County Council  
 Nuneaton & Bedworth Borough Council  
 The Marches LEP  
 North Warwickshire Borough Council  
 WMCA / City of Wolverhampton Council  
 Office of the Police & Crime Commissioner  
 West Midlands Combined Authority  
 City of Wolverhampton Council  
 Solihull Metropolitan Borough Council  
 WMCA Audit, Risk & Assurance Cttee  
 West Midlands Fire & Rescue Service  
 Birmingham City Council  
 West Midlands Combined Authority  
 West Midlands Civil Society Forum  
 Cannock Chase District Council  
 Black Country Consortium  
 Walsall Metropolitan Borough Council  
 Dudley Metropolitan Borough Council  
 Solihull Metropolitan Borough Council  
 Telford & Wrekin Council  
 WMCA / Coventry City Council  
 Walsall Metropolitan Borough Council  
 Transport for West Midlands  
 City of Wolverhampton Council  
 Birmingham City Council  
 Birmingham City Council  
 West Midlands Combined Authority  
 West Midlands Combined Authority  
 West Midlands Police  
 Greater Birmingham & Solihull LEP  
 City of Wolverhampton Council  
 Office of the Police & Crime Commissioner  
 Stratford-on-Avon District Council  
 WMCA Transport Delivery Committee  
 Shropshire Council

**Item Title**  
**No.**

**1.1 Apologies**

Apologies for absence were received from Councillor Shaun Davies, Councillor Steve Eling, Steve Hollis, Councillor Lee Jeavons, Councillor Abdul Khan, Councillor Roger Lawrence, Councillor Pete Lowe, Councillor Michael Stokes, Stewart Towe and Graham Wynn.

**1.3 Minutes**

The minutes of the meeting held on 21 April 2017 were agreed as a correct record.

#### **1.4 Outgoing Chair's Remarks**

Councillor Bob Sleigh expressed his thanks to the members of the WMCA Board for the support they had offered him during his time as chair. He considered the collaboration shown by local authorities, business representatives, the universities sector, police and fire representatives and others to have been the foundation upon which the Authority had built its successes, and urged this to continue in the coming years ahead. He also expressed his appreciation to the late Councillor Darren Cooper for the considerable role he played in establishing the combined authority.

Councillor Bob Sleigh reminded all concerned of the key role the Authority would have to play delivering better training, more jobs, increased housing and improved transport for the region.

Councillor Sean Coughlan on behalf on constituent councils, Councillor George Adamson on behalf of non-constituent councils and Jonathan Browning on behalf of LEPs expressed their thanks to Councillor Bob Sleigh for his stewardship of the combined authority during his year as its chair.

#### **2.1 Appointment of Mayor as Chair of the West Midlands Combined Authority**

Keith Ireland reported that, at the Mayoral election held on 4 May 2017, Andy Street received 238,628 first and second preference votes and Sion Simon received 234,862 first and second preference votes. Andy Street was therefore elected Mayor of the West Midlands Combined Authority area for the period up to May 2020.

#### **2.2 Mayor's Remarks**

Andy Street thanked Councillor Bob Sleigh for chairing the combined authority during the last year, thanked all members of the WMCA Board for the warm welcome he had received following his election, and expressed his intention to be a Mayor for the whole of the West Midlands and all of its communities.

He had spoken with the Leaders of the Constituent councils, met with the Chief Executive as part of his planning for the year ahead, and confirmed that his main office would be located at the WMCA offices in Summer Lane, Birmingham, with further satellite offices within Coventry and Wolverhampton. He also confirmed that Councillor Bob Sleigh had accepted his invitation to become Deputy Mayor.

David Jamieson congratulated the Mayor on his election and undertook to work closely with him on areas of joint interest, particularly in respect of crime, resilience and mental health matters. Councillor John Edwards indicated that he looked forward to meeting with the Mayor to discuss matters relating to the governance and oversight of the fire service.

#### **2.3 Forward Plan**

The plan of items to be reported to future meetings of the WMCA Board was noted.

### **3.1 Investment Board - 27 February 2017**

The Board received the minutes of the Investment Board held on 27 February.

Resolved:

The minutes of the meeting held on 27 February 2017 be noted.

### **3.2 Transport Delivery Committee - 3 April 2017**

The Board received the minutes of the Transport Delivery Committee held on 3 April.

Resolved:

The minutes of the meeting held on 3 April 2017 be noted.

### **4.1 Consultation Response: 'Increasing the Regional Impact of Channel 4 Corporation'**

Councillor John Clancy presented a report on the consultation document that the Government had recently launched on the future of Channel 4, seeking agreement on the WMCA developing a response and the commissioning of the West Midlands Growth Company to lead on this work.

On 12 April, the Government launched a consultation that sought views on whether Channel 4 should be based outside London, whether more of the programmes it broadcast should be made outside London, and whether Channel 4 should make a larger investment in production companies to support the development of emerging talent, including that from the regions. Responses to the consultation were required by 5 July.

Given the likely strong competition across the country, it was clear that the West Midlands would need to produce a compelling proposition if Channel 4 was to relocate here. It was therefore considered that the West Midlands Growth Company would be best placed to lead this work on behalf of the WMCA, reporting into a 'commissioning group' with representation across the three LEP geography who would collectively develop the proposal.

Councillor John Clancy noted that Birmingham had the youngest age demographic of any city within Europe and had the vibrancy to make it attractive to media companies. There was cross-party support within Birmingham City Council for this to be a regional bid that played to the strengths of the wider region. Councillor Izzi Seccombe supported the principle of a regional bid, and Lee Barron indicated that the Midlands Trades Union Congress was prepared to offer its influence to support a bid to relocate Channel 4 to the West Midlands.

Resolved:

(1) The publication of the Government's consultation 'Increasing the Regional Impact of Channel 4 Corporation' be welcomed.

(2) It be agreed that the WMCA should submit a regional response to the consultation on behalf of the West Midlands, and commission the West Midlands Growth Company to lead on the preparation of the response.

(3) The funding of a feasibility study by a number of partners, including the Black Country LEP, Greater Birmingham & Solihull LEP, Coventry City Council and Coventry & Warwickshire LEP (subject to their boards' approval) be welcomed.

(4) The next steps were noted, and it was agreed that a further report would be submitted to the WMCA Board on 23 June, where delegated authority for the sign-off of the final submission would be sought.

[Chris Loughran declared an interest in this item in respect of his employment with Deloitte.]

### **5.1 Financial Monitoring 2016/17**

Councillor Izzi Seccombe presented a report on the WMCA finances as at the end of March 2017.

The full year WMCA operational budget showed minor adverse variance from forecast of £18,000, and the final outturn against the transport budget was only £74,000 higher than forecast due to variances within the concessionary travel budget. Transport major schemes ended the year 18% behind budget due to delays to works on the Centenary Square, Edgbaston and Wolverhampton metro extensions relating to utility/ground works and land acquisitions.

There was also an opportunity to pay the pension fund employer's superannuation contribution three years in advance based on assumed payroll level, which would result in an estimated total saving of £412,000. This discount was considered to be higher than the cost of the return of any investments and was therefore advantageous to the authority.

Resolved:

(1) The three year advance payment of the pension fund employer's superannuation contribution, given the discount available from the pension fund, be approved.

(2) The final outturn position for 2016/17 be noted.

### **5.2 Joint Response - Government Consultation Business Rates Retention**

Councillor Izzi Seccombe presented a report on the proposed joint response of the Authority and the seven Metropolitan district councils to the Government's consultation on the design of the reformed business rates retention system.

The Government issued a consultation paper on the design of a reformed business rates retention system in February and was working with the Local Government Association and other representatives on the design of the scheme. Further consultation papers were expected as the proposals were refined. However, the General Election on 8 June now meant that the Local Government Finance Bill would not complete its parliamentary progress. It would be for the next Government to determine its legislative priorities, and this might produce a delay in the previously expected timetables for taking the proposals forward.

Councillor Izzi Seccombe considered the retention of business rates to be an important step in providing financial stability to local authorities. She noted that, as currently worded within the consultation, non-constituent councils were not permitted to take part in the pilot as it was limited to constituent members of combined authorities as well as authorities not currently subject of a devolution deal or participation in a combined authority. She considered this unsatisfactory and wished to see all councils able to participate in a business rates retention trial.

Resolved:

(1) The proposed joint response of the West Midlands Combined Authority and seven metropolitan district councils to the Government consultation on 100% business rates retention be endorsed.

(2) The West Midlands Combined Authority support its non-constituent member authorities who might wish to participate in the business rates retention pilot but who were currently excluded from participation due to the Government's announcement that applications were limited to the constituent members of combined authorities as well as authorities not currently subject of a devolution deal or participation in a combined authority.

### **5.3 Collective Investment Fund Update**

Councillor Izzi Seccombe presented a report seeking to reduce the Collective Investment Fund from £70m to £60m until such time as the combined authority had the power to borrow. The report also provided an update on the progress Finance Birmingham had made in developing the pipeline of potential projects, along with the investments that were already being part funded by the Collective Investment Fund.

On 10 June, the WMCA Board approved the establishment of a £70m Collective Investment Fund, for which Birmingham City Council would undertake the borrowing until such time as the combined authority had the power to borrow for non-transport related investment. Each of the other six metropolitan authorities would then enter into a legal agreement with Birmingham City Council in order to share the risks associated with the fund. However, Sandwell Metropolitan Borough Council had now indicated that it did not wish to enter into this legal agreement, and it was therefore proposed to reduce the Collective Investment Fund to £60m and for it not to support projects within the Sandwell geographical area until such time as the combined authority received the power to borrow.

Resolved:

(1) Until such time as the WMCA had the power to borrow, the Collective Investment Fund be reduced from the £70m originally approved to £60m and be no longer be available to support projects within the geographical area of Sandwell Metropolitan Borough Council.

(2) At the time the WMCA had the power to borrow, the Collective Investment Fund revert back to the £70m originally approved and once again be available to support projects within the geographical area of Sandwell Metropolitan Borough Council.

(3) It be noted that all metropolitan district councils, with the exception of Sandwell, had formally agreed to enter into a legal agreement with Birmingham City Council to share the risks associated with the Collective Investment Fund, and therefore any losses in equal proportion.

(4) It be noted that individual metropolitan districts councils might now need to seek approval to underwrite one-sixth of the revised Collective Investment Fund of £60m.

(5) The progress that Finance Birmingham had made developing the pipeline of potential projects, along with the investments that were already being part funded by the Collective Investment Fund, be noted.

#### **5.4 Treasury Management Outturn 2016/17**

Councillor Izzi Seccombe presented a report that provided an update on the West Midlands Combined Authority's Treasury Management Outturn 2016/17 that was being considered as a requirement under the CIPFA Treasury Management Code.

The Chartered Institute of Public Finance & Accountancy's Treasury Management Code required authorities to report on the performance of the treasury management function twice a year. The treasury management mid-year report had been agreed by the WMCA Board at its meeting in December 2016. This report covered the treasury activity and associated monitoring and control of risk relating to the sums of money that the combined authority had invested.

Councillor Izzi Seccombe noted the impact that political events had had on the financial markets during the last year, but was pleased that all indices were within prudential indicator parameters.

Resolved:

(1) The results of the Treasury Management Outturn as at 31 March 2017 be noted.

(2) The internal investment return for 2016/17 of 0.56% be noted.

(3) It be noted that the WMCA's borrowing was within the prudential indicators established at the beginning of the year.

## **6.1 Productivity and Skills Portfolio Update**

Councillor George Duggins presented a report on the implementation of the employment and skills aspects of the devolution agreement and Productivity & Skills Commission to support future decision making items.

The devolution agreement included three key aspects in relation to employment and skills: devolution of the Adult Education budget from 2018; co-design of the Department for Work & Pensions Work & Health programme to be launched in autumn 2017; and putting together a business case for an innovative employment support pilot for the hardest to help. The Productivity & Skills Commission had been established to establish the true extent of the productivity and skills challenge in the West Midlands, to understand the component causes of that challenge and their inter-relationship, and to make recommendations as to how these causes could be addressed. The report provided further details on the progress being made within these work areas.

Lee Barron indicated that the Midlands Trades Union Congress was very supportive of this area of work, highlighting the civic benefits that were achieved through raising productivity and improving skills levels. In stressing the importance of this area of work, David Jamieson noted data that indicated 50% of people entering prison were not in employment, education or training. He was also pleased to report that since April, West Midlands Police had become a Living Wage employer whereby no employee was paid less than the Living Wage.

Councillor Ian Courts noted the key role that transport played in supporting access to centres of education and that the combined authority was well placed to provide a joined-up approach in this regard.

Resolved:

The progress and future direction of travel for the implementation of the employment and skills aspects of the devolution agreement and the Productivity & Skills Commission be noted.

## **7.1 National Productivity Investment Fund**

Councillor Andrew Johnson presented a report on progress made regarding the National Productivity Investment Fund and seeking approval for the 2017/18 West Midlands provisional programme and the establishment of governance to manage the £5.788m allocated to the combined authority by the Government.

The combined authority issued a call to all constituent authorities and Transport for West Midlands in February for proposals to develop economic and job creation opportunities, to improve access to employment and housing, and to reduce congestion at key locations. Seventeen submissions were received, totalling £12.9m, and these were assessed against a criteria to produce a National Productivity Investment Fund programme for 2017/18.

This programme would focus primarily on the upgrade of traffic signal technology, bus lane enforcement and the repair of a bridge in Solihull that would help enable the efficient operation of the network during HS2 construction.

Councillor Andrew Johnson noted that the over-programming of the fund would help offset any expenditure slippage that might otherwise occur. The allocation of funding was to be further supplemented by additional local contributions totalling £4m.

Resolved:

(1) The 2017/18 investment programme for the National Productivity Investment Fund be agreed.

(2) The appointment of a Senior Responsible Officer, who would be accountable for the successful delivery of the National Productivity Investment Fund and chair the steering group, be agreed.

(3) The approach for future National Productivity Investment Fund bids be agreed.

(4) The approach to over-programme by between 5% - 10% be agreed.

#### **8.1 Commonwealth Games Bid 2022**

Martin Reeves provided a briefing on the current situation regarding the awarding of a host city for the Commonwealth Games in 2022 following the withdrawal of the original host Durban, South Africa earlier in the year. Birmingham had subsequently expressed an interest in bidding for these games, rather than its original intention of submitting a bid to host the 2026 Commonwealth Games.

Councillor Ian Ward stressed the value of a West Midlands regional bid, noting that it was expected that sporting venues would likely be located across the region. There was also strong evidence of a wider economic benefit to the region, as experienced across Scotland when Glasgow hosted the Commonwealth Games in 2014. Councillor Ian Courts noted the significant economic impact of the proposition, and requested that it be a matter regularly considered by the SEP Board. Martin Reeves confirmed that this would be the case. David Jamieson stressed the importance of securing the legacy benefits of hosting a major sporting event, and Councillor Ian Ward indicated that this would be a strong focus of any proposed bid.

Councillor John Clancy welcomed the significant support being expressed by members and noted that the wider economic benefits that could be attained by hosting the Commonwealth Games were a key area of interest for the combined authority.

Resolved:

That the briefing be noted.

**9.1 Date of Next Meeting**  
Friday 23 June 2017 at 11.00am

**10.1 Exclusion of the Public and Press**

Resolved:

That, in accordance with s100(A) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business as it was likely to involve the disclosure of exempt information of the descriptions specified in paragraph 3 of the Act.

**10.2 Commonwealth Games Bid 2022**

Councillor Ian Ward presented a report providing further information on the process by which bids could be submitted to host the Commonwealth Games in 2022. He indicated that an initial 'intention to bid' had to be submitted to the Department for Culture, Media & Sport by the end of the day. The bids that were considered viable would then be requested to submit a further more detailed bid, from which the UK's official bid city would be chosen.

Resolved:

(1) The 'intention to bid' being sent to Government by the Commonwealth Games Bid Company be endorsed.

(2) The WMCA continue to support the Bid Company and Bid Steering Group through the Chief Executive as a trustee of the company.

(3) A detailed report would be presented to the WMCA Board on 23 June outlining the bidding process, business case (and benefits) and anticipated costs, including any request for matched financial and in-kind contribution.

(4) It was noted that, as the bidding process would be competitive, it would be imperative that any detailed financial analysis was exempted at this stage from public disclosure and governed, as necessary, through a private item.

**CHAIR**